

Shri A. K. Gopalan: Is it a fact that in certain industries the idle capacity is very substantial and Government gave licences to the same concern in the same industry? If so, what is the reason for it?

Shri F. A. Ahmed: It is true that in some industries there is more idle capacity than in others. But these licences were given at a time when it was not considered that on account of the economic recession, there would be idle capacity.

Shri Hem Barua: Are you prepared to withdraw them?

Shri F. A. Ahmed: When the industry is already established, where is the question of withdrawing them?

Shri F. A. Ahmed: Wherever there is idle capacity in the industries, they have been asked, and they are taking steps in order to diversify their activities. They are doing it.

Shri D. N. Patodia: Fertiliser factories producing superphosphate generally need the basic raw materials, rock phosphate and sulphur. Rock phosphate is being imported through STC. I would like to know whether it is a fact that due to the shortage of rock phosphates, the fertiliser factories are not able to produce according to their capacity, and in that event, will the Government consider the question of permitting the private sector to import—the rock phosphate, which they can easily do?

Shri F. A. Ahmed: That question is covered by my answer; wherever there is idle capacity in any industry, because of the shortage of raw materials, whatever is possible is being done to overcome that shortage.

Shri Banga: A specific instance has been quoted and the Minister is not prepared to give any answer at all; he is giving a general, steamroller answer.

Shri F. A. Ahmed: I do not know why the hon. Member is so impatient.

So far as the specific matter is concerned, that question should be referred to the Ministry concerned, and to the extent there is shortage, that question is being taken up by them. What I have said is that so far as the industries as a whole are concerned, the idle capacity is due to the fact that there is shortage of raw material, and I said that so far as the shortage of raw material is concerned, we are trying to procure raw materials and give them foreign exchange on a priority basis, and fertiliser industry is certainly one of the priority industries, and they will certainly be taken care of.

SHORT NOTICE QUESTION

Fifth Steel Plant Project

†
S.N.Q. 20. **Shri S. M. Banerjee:**
Shri Ishaq Samkhali:
Shri Vasudevan Naik:
Shri A. N. Mulla:
Shri Vishwa Nath
Pandey:
Shri G. S. Mishra:
Shri Niti Raj Singh
Chaudhary:

Will the Minister of Steel, Mines and Metals be pleased to state:

(a) whether it is a fact that the Fifth Steel Plant Project is being shelved indefinitely; and

(b) if so, the reasons therefor?

The Minister of Steel, Mines and Metals (Dr. Channa Reddy): (a) No, Sir.

(b) Does not arise.

Shri S. M. Banerjee: The reply of the hon. Minister to the main question is that the fifth steel plant is not going to be shelved. I would like to know whether the claim of the people of Andhra Pradesh is still before his eye, and I would also like to know what is the policy of the Government—whether they will start a steel plant in Andhra Pradesh.

Dr. Channa Reddy: As I said, the matter is under consideration, and it

depends upon the finalisation of the fourth Plan and the general economy of the country.

Shri S. M. Banerjee: I would like to know whether the Government has taken a final decision to have this fifth steel plant, or whether they have not decided yet. We would like to have an assurance whether they will have the fifth steel plant or not.

Dr. Chenna Reddy: No definite decision has been taken on this matter, and therefore, I cannot say anything definitely.

Shri Vasudevan Nair: I hope the Government have already proceeded to a great extent with preparing a project report and all that even before. When they finally take a decision in principle whether they should have the fifth steel plant or not, by that time, we would like to know whether they will have the report—whether they have some report with them—or, whether they will have to prepare entirely another report, and in that case, will something happen in the fourth Plan?

Dr. Chenna Reddy: As for anything to happen in the fourth Plan, it all depends upon our economy. Now, we are suffering from recession. Therefore, this matter would not arise, but obviously, all the details that have already been prepared are looked into, and they will always be kept in view by the Government.

श्री नीतिराज सिंह चौधरी क्या मंत्री महोदय बताने को कृपा करें कि पाचवे हस्तात कारखाने के लिये कौन कौन सी जगहें विचारधीन हैं ?

डा० चन्ना रेड्डी . प्रश्नो मुकामिक बगहूँ गवर्नमेन्ट के कांसिडरेशन में आई थी । ऐन्की एन्वैरॉन्मेन्ट कंसर्वाशियम की बिना पर यह डा मुकामिक बगहूँ हैं और दूसरी बगहूँ के बारे में जब कबान उन्के विचार करने का सब उन पर विचार किया जायेगा ।

Shri Sambhaya: Regarding the Salem steel plant, a definite assurance was given by the Steel Minister, Mr. Subramaniam, while answering in the course of the Demands for Grants in 1962 that the Salem steel plant has been accepted and it would come in a short while. Five years have passed and we have not got anything so far. I would like to know whether the Salem steel plant will be included in the fourth Plan. I would also like to know whether it is a fact that the Madras Government has sent an application for starting Salem steel plant on their own initiative with the help of the Japanese and the collaboration of some others. I want to know what happened to that matter, as far as the Salem plant is concerned; whether it is going to be started in the fourth Plan or not. Also, what happened to the application filed by the Madras Government to start the plant?

Dr. Chenna Reddy: The whole matter is under consideration, and the fourth Plan will be finalised; only then some definite shape can be given.

Shri Sureshchandra Dwivedy: Is it not a fact that due to the lack of finance, the Government is thinking of abandoning all expansion schemes to the existing steel plants and also Bokaro? In view of this fact, may I know whether there is any possibility of having the fifth steel plant during the fourth Plan period?

Dr. Chenna Reddy: It will be difficult to say anything definitely because the fourth Five Year Plan—its shape, contents and dimensions, have to be determined in the light of the general economy.

Shri Tanneti Veerannaiah: Is it not a fact that on the basis of a technical report, the Cabinet in September, 1963, generally accepted the recommendations contained in that report to locate the fifth steel plant at Visagapatnam?

Dr. Chenna Reddy: No general or definite decision has been taken. It is under consideration.

Shri D. N. Tiwary: May I know whether the attention of the Government has been drawn to the statement of the Chief Minister of Madras that if the Centre does not agree to have a steel plant in Madras, at Salem, they will start an agitation? It has been reported. I do not know whether the attention of the Minister has been drawn to that; if it has been drawn, what is the reaction of the Government?

Dr. Chenna Reddy: We have no official information except what I read in the press. Therefore, there is no question of any reaction.

Shri Tulsidas Dasappa: I would like to know from the Minister whether it is the pressure exerted on the Central Government by various States that has resulted in the shelving of the question of taking up the fifth steel plant, or, is it because of the lack of financial resources in the country that has resulted in the shelving of the fifth steel plant?

Dr. Chenna Reddy: As I said, the economy of the country is in such a recession that any big project of this dimension is not possible to be contemplated at this stage.

Shri Banga: Is there any fear lurking in the mind of the Government that if we do not go ahead with the Bokaro plant, the Soviet Prime Minister might go on a hunger-strike, and the Andhra Chief Minister, if the fifth steel plant at Vizagapatam is not started, is likely to go on Satyagraha?

Dr. Chenna Reddy: Bokara is a matter on which agreement has been reached between the two countries and we have everything finalised. Therefore, we are going ahead. There is no question of anybody going on fast or anybody going in for agitation etc.

Shri F. Vasanthasubbiah: May I know whether there is any proposal before the Government for consideration, to start small plants in three important places, Visakhapatnam, Hospet and Salem to be later developed into big steel plants?

Dr. Chenna Reddy: At the moment there is no definite proposal, but the whole position of targets and requirements is being studied and the possibilities of export to different countries are also under examination and consideration.

Shri Ambahagan: Will the hon. Minister be pleased to tell us, when everything connected with the fifth steel plant hangs upon the Fourth Five Year Plan and Government finds it difficult to find foreign exchange and all that, whether, if any other foreign country comes in for collaboration in respect of such a project and agrees to bear the foreign exchange component of it and this Government has no commitment of foreign exchange, the Government will consider the project and sanction it?

Dr. Chenna Reddy: Foreign collaboration does not completely take away our own financial commitments and implications. Particularly in our country we have large fabricating capacity of the order of 60 per cent. Therefore, anything that is to be done will be only in addition to our fabricating capacity.

Shri S. Kunda: Sir, the Committee on the Fifth steel plant gave its report before Paradeep Port was actually commissioned. Since the Paradeep Port has been commissioned and there are huge deposits of manganese ore in that area, will the hon. Minister consider it worthwhile putting up the fifth steel plant or at least a medium type steel plant there in the near future—not the sixth?

Dr. Chenna Reddy: I have already said that it will certainly receive consideration.